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NOTE FOR: The Director
The Deputy Director

FROM: Dave Gries

SUBJECT: McFarlane's Comments Before the HFAC
on 8 December 1986

On 8 December 1986, former National Security Advisor McFarlane appeared before the House Foreign Affairs Committee (HFAC). He made the following comments in response to questions from the HFAC:

- He supported and supports efforts to find reformist elements in Iran. The President approved this effort.
- He does not believe that the President knew of or approved the diversion of funds to the Contras.
- He first learned in July 85, via a third country, that the Iranians wished to talk to the United States.
- In August 85, the President authorized the shipment of small levels of arms to strengthen elements in Iran. This was communicated to the Iranians and there were certain transfers.
- He first learned about the diversion of funds in May 86, during the flight from Iran. North told him about it.
- Between July and Dec 85, it was clear that the President was motivated by two concerns, establishing relations with moderate elements in Iran, and recovery of the hostages.
- He denied that he resigned in December 1985 to perpetuate this policy.
- He denied being involved in any communications with Ambassador Kelly regarding Lebanon. This in response to Shultz's comments that North, Secord and McFarlane communicated with Kelly without the knowledge of the Secretary of State.
- When asked whether was involved in this matter, he said that he was willing to discuss this in Executive Session.

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- He said that people may have taken certain actions to help the Contras believing that they had the authority to act.
- If there was a mistake, he believes he made it because the Administration was attempting to pursue a policy that the American "body-politic" would not understand.
- He was asked quite a few hypothetical questions about the decision-making process, chain of command, who would have known what, who approved what, etc. after he left the NSC in December 86. He refused to speculate or to pursue the hypothetical questions.

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